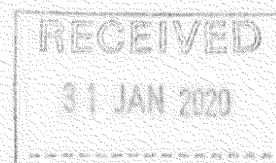


THE RT HON DAVID JONES MP/AS



HOUSE OF COMMONS
LONDON SW1A 0AA

Kelly Tolhurst MP
Parliamentary Under Secretary of State for Small Businesses, Consumers and
Corporate Responsibility
Department for Business, Energy and Industrial Strategy
1 Victoria Street
LONDON
SW1H 0ET

28 January 2020
Our ref: ZA22221

Dear Kelly,

MY CONSTITUENT: Mr Alan Bates,
GRO

GRO

I have been consulted by my above-named constituent, who has passed me a copy of your letter to him dated 25 January relating to the group litigation over the "Horizon" system.

The judgment of Mr Justice Fraser in the case could scarcely be more forthright or damning. As you rightly point out in your letter, the judgment alone consisted of almost 1,000 pages. The judge was highly critical of the Post Office for its behaviour during the hearing. Inter alia, he concluded that the Post Office feared objective scrutiny of its behaviour and operated "a culture of secrecy and excessive confidentiality generally within the Post Office, but particularly focused on Horizon."

He also observed that the Post Office had resisted timely resolution of the group litigation whenever it could; in other words, it had sought to delay the progress of the proceedings so as to apply financial pressure upon the other parties.

You will also be aware that certain of the Post Office witnesses were severely criticised over their apparent lack of veracity and files have been sent to the Director of Public Prosecutions.

It is hard to think of any judgment that has been more excoriating.

The disparity of bargaining strength between the Post Office and the claimants was, of course, very high. All the claimants had suffered considerable distress. In that connection, it should be mentioned that certain sub-postmasters had been the subject of criminal prosecutions which, in certain cases, resulted in imprisonment. As you have noted in your letter, these issues are now in the

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hands of the Criminal Case Review Commission.

You have also mentioned in your letter than the Post Office now has to implement necessary changes it has committed to under the leadership of its new CEO. You have also said that you are personally determined to see that they deliver on these commitments and that you will continue to monitor the company's progress in these areas and hold it to account.

There is, of course, a strong and close relationship between the Post Office and the Government. Indeed, at paragraph 703 of his judgment, Mr Justice Fraser pointed out:

"I would also add that Post Office Ltd, the corporate Defendant in these proceedings, is ultimately owned by the Government, admittedly through a corporate chain and a Government Department. It therefore either is, or shares a large number of features with, a public body. That is not to say that its decisions are subject (for example) to judicial review...but it cannot be seen as entirely private and wholly commercial."

Whilst the Post Office was, therefore, at all relevant times an arm's length body, the fact that it is wholly owned by the Government cannot be ignored. This is not to say that Government Ministers should have been responsible for managing the affairs of Post Office Ltd, but the Government nevertheless should have been taking an interest in what was happening. Indeed, you are now yourself showing that interest by indicating your determination to monitor the company's progress in implementing reform and to hold it to account.

It was a significant failure on the part of previous ministers to not to have monitored the affairs of the Post Office in a similar manner whilst the matters complained of by the Claimants in the action were continuing. It was, frankly, not good enough for ministers to turn a blind eye, which it would appear is precisely what they did.

As a consequence in the disparity in bargaining power mentioned above, Claimants in the action have been obliged to settle with the Post Office. Nevertheless, it does not appear to me that that should absolve the Government from further responsibility. At the very least, I suggest that it is incumbent on you to meet Mr Bates in my company and discuss the matter further. I would hope that as a consequence of that discussion you would be prepared to contemplate, even on a "without prejudice" basis, the possibility of offering further financial compensation for the failures of your predecessors.

I should be grateful therefore if your office would please contact mine to make suitable arrangements for a meeting and I look forward to an early reply.

GRO

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